



**RBA: MARY LEE COMMUNITY
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION**

**AGENDA ITEM NO: 4
AGENDA DATE: 8/26/10
PAGE: 1 OF 2**

SUBJECT: Authorize the negotiation and execution of an amendment to an existing loan agreement increasing funding by \$225,000 for a total loan amount not to exceed \$2,475,000 to MARY LEE COMMUNITY, or its affiliate, to facilitate completion of a 64-unit affordable rental housing development for low-income families and individuals with special needs at 1330 Lamar Square Drive.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2009-2010 Capital Budget of the Austin Housing Finance Corporation.

FISCAL NOTE: A fiscal note is attached.

REQUESTING DEPARTMENT: Austin Housing Finance Corporation

FOR MORE INFORMATION CONTACT: Elizabeth A. Spencer, Acting Treasurer, Austin Housing Finance Corporation, 974-3182

PRIOR BOARD ACTION: December 6, 2007 – The Austin Housing Finance Corporation Board approved a \$2,250,000 loan to Mary Lee Community for the development of a 64-unit affordable rental housing apartment facility for low-income families and individuals with special needs at 1330 Lamar Square Drive.

PRIOR COUNCIL ACTION:

This action will authorize an increase to the existing loan for the Mary Lee Community to construct 64 units of multi-family housing to serve low- and very low-income households, including persons with special needs. This fully-accessible residential facility will serve persons with mobility and/or developmental disabilities, including the elderly. The residents' income levels cannot exceed 50% of the Median Family Income (MFI) for Austin; however, it is expected that most residents will have incomes at or below 30% MFI, or \$15,550 for a single person. The affordability period on this property will run for 40 years.

Mary Lee Community

Mary Lee Community is an affiliate organization of the Mary Lee Foundation and is a certified Community Housing Development Organization (CHDO). The Mary Lee Foundation is a non-profit 501(c)(3) organization that provides affordable housing and supportive services to low-income families and individuals with special needs due to developmental disabilities, mental illness, and head injuries. Currently, the Foundation owns and operates 125 rental units on Lamar Square Drive.

Funding Request

An additional \$225,000 is being requested for additional construction funding needed to complete the project. The revised Sources and Uses are as follows:

Sources:

Federal Home Loan Bank	\$ 750,000
Foundations/contributions	472,560
Private financing	1,000,000
RHDA GO Bond	2,250,000
Additional GO Bond Funds	<u>225,000</u>
Total	\$ 4,697,560

Uses:

Predevelopment	\$ 149,000
Debt retirement	363,000
Construction	3,869,760
Soft costs	<u>315,800</u>
Total	\$ 4,697,560

**AUSTIN HOUSING FINANCE CORPORATION
CIP BUDGET
FISCAL NOTE**

Date of Board Consideration: 8/26/2010
Agenda Item: MARY LEE COMMUNITY
AMENDMENT
Division: Real Estate and Finance Development

SUBJECT:

Authorize the negotiation and execution of an amendment to an existing loan agreement increasing funding by \$225,000 for a total loan amount not to exceed \$2,475,000 to MARY LEE COMMUNITY, or its affiliate, to facilitate completion of a 64-unit affordable rental housing development for low-income families and individuals with special needs at 1330 Lamar Square Drive.

FINANCIAL INFORMATION:

Parent Project Name: 2006 General Obligation Housing Bonds
Project Authorization: Approved AHFC Capital Budget

Current Appropriation	\$ 41,855,495.00
Available Balance	\$ 470,737.00
Amount of This Action	\$ 225,000.00
Remaining Balance	\$ 245,737.00

Use of Remaining Balance:

Remaining funds will be used for future eligible projects.

Community Development Administrator
(over AHFC Finances)

Signature: Diana L. Domeracki Date: 8/26/2010